

## ATTACHMENT #10

### Statewide Real Estate Instructions

The Statewide Real Estate (formerly Leasing) budget instructions are detailed below. Statewide Real Estate is an annual budget. The development of a six-year space plan will continue. Regional rental rates will continue to be used for budgeting purposes based upon Fiscal Year 2008 rates. The Division of Facilities Management, Design and Construction (DFMDC) will largely develop the real estate budget, except for the items detailed below as still being an agency responsibility (see # 2 below). DFMDC staff will complete all BRASS entry.

#### ITEMS OF SIGNIFICANCE

1. Annual Budget – Real estate funds will be appropriated on an annual basis rather than as a biennial budget as in years past. All requests submitted in October 2007 will include necessary funding for department real estate requirements for Fiscal Year 2009. DFMDC already has or soon will provide each department with a list of Fiscal Year 2009 real estate leases.
2. Deadlines – The deadlines below indicate when information is due to DFMDC. The Statewide real estate budget is due to Budget and Planning by October 1<sup>st</sup> as required by state statute. DFMDC has been working with agencies to develop the Fiscal Year 2009 budget. Your agency's budget must be finalized and submitted to Robin Rayl in DFMDC by September 1<sup>st</sup>.

| ITEM  | RESPONSIBLE FOR<br>FORM PREPARATION | RESPONSIBLE FOR<br>BRASS ENTRY | DEADLINES   |
|---|-------------------------------------|--------------------------------|---|
| 1. Cores & Expiring Leases                    | DFMDC                               | DFMDC                          | September 1 <sup>st</sup>                                       |
| 2. FY09 New FTE and related systems furniture | DFMDC                               | B&P                            | December or as necessary  |
| 3. Systems Furniture                          | DFMDC                               | DFMDC                          | September 1 <sup>st</sup>                                       |
| 4. Other Decision Items                       | Department                          | DFMDC                          | September 1 <sup>st</sup>                                       |
| 5. Transfers                                  |                                     |                                |   |
| In and out of operating budgets               | Department                          | Department                     | September 1 <sup>st</sup><br>(in coordination with DFMDC)       |
| In and out of HB 13                           | DFMDC                               | DFMDC                          | September 1 <sup>st</sup><br>(in coordination with Departments) |

3. Six-Year Plan – The Division of Facilities Management, Design and Construction is charged with developing an ongoing office space planning process (format is attached). Agencies need to provide long-term space needs to DFMDC. To ensure that all funding requirements are adequately foreseen, each department is to submit a six-year plan, which must include the following:
  - Program elimination/downsizing/co-location by location for each of the fiscal years of the six year plan; given recent budget trends, there have been substantial FTE reductions across state government. Agencies need to be prepared to consider co-locations with other agencies, relocations and combinations of existing staff within owned and leased space and be able to communicate these future space needs/ideas to the Division of Facilities Management, Design and Construction;
  - Significant changes in program operations that could potentially affect use of the facility and;

- Program expansion/new FTE requirements by location for each fiscal year of the six-year plan.

4. Core and New Decision Item Forms – The Division of Facilities Management, Design and Construction will prepare and submit the core and new decision item forms for all core, expiring lease, new FTE, utilities/janitorial costs, and systems furniture requests. Agencies are responsible for development of the new decision item form for any other new decision items.

“Other Decision Items” include items that do not fall under expiring leases, new FTE or systems furniture categories (e.g. special-purpose facilities, or more space without a corresponding increase in FTE). Multiple items should not be requested using the same new decision item form. All “Other Decision Item” requests should be submitted on separate new decision item forms. As noted above, agencies must submit this information to the Division of Facilities Management, Design and Construction by September 1st.

Agencies are responsible for reviewing each real estate location and verifying the funding source(s) and split(s). If reallocations are needed, please submit any changes to Robin Rayl in the DFMDC.

### **RANKINGS**

House Bill 13 leasing decision items for Fiscal Year 2009 will fall into one of the following categories.

- 001 Core;
- 002 Expiring Leases;
- 003 New FTE;
- 004 Systems Furniture;
- 005 Other New Decision Items

If you have any questions about the real estate budget instructions or process please contact Robin Rayl (751 6839) in the Division of Facilities Management, Design and Construction.

5. BRASS Data Entry - With the exception of transfers in and out of operating budgets, all BRASS work will be done by the Division of Facilities Management, Design and Construction. Hard copies of requests are not considered final until all information is entered into BRASS.
6. Regional Rental Rates – For budgeting purposes the following regional rates will be used: Metro, \$15.00; Out-state, \$10.30; Large City, \$11.50; or St. Louis County, \$17.85.
7. Lease Actions For Existing Contracts – The Division of Facilities Management, Design and Construction is recommending lease extensions at most locations. If an agency requests a bid, written justification for the bid, including a space analysis, must be submitted to the Division of Facilities Management, Design and Construction.
8. New FTE – Any need for additional leased space for new staff will be evaluated jointly by the Divisions of Facilities Management, Design and Construction and Budget and Planning. Funding for space for new FTE will be requested only if OA verifies that space does not exist to house the new staff in existing leased locations or state owned facilities. Should a need for additional new leased space exist based solely on the recommendation of new FTE for your department, the Division of Budget and Planning will request sufficient funding in the real estate budget. Your department must submit a space analysis that supports the need for additional space. Of course, should new FTE be recommended for your department, they should be housed, when possible, in a state-owned building before requesting leased space.
9. Systems Furniture – If systems furniture is required for **new FTE**, funding will be requested in House Bill 13 in the same manner as detailed in #8, above. The need for systems furniture will be evaluated jointly by the Divisions of Facilities Management, Design and Construction and Budget

and Planning. Systems furniture will be requested for an existing lease or new lease action only in special circumstances in which cost savings are evident. See the Expense and Equipment Guidelines (Attachment #7) for details on the associated cost of systems furniture units.

**STATEWIDE LEASING - SIX YEAR PLANNING DOCUMENT**

AGENCY:

ORGANIZATION:

| <u>Lease #</u> | <u>Facility Location<br/>(City/Address)</u> | <u>FTE<br/>2009</u> | <u>FTE<br/>2010</u> | <u>FTE<br/>2011</u> | <u>FTE<br/>2012</u> | <u>FTE<br/>2013</u> | <u>FTE<br/>2014</u> | <u>Proposed Changes in<br/>Program Delivery</u> | <u>Comments</u> |
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